

AMENDED IN ASSEMBLY MARCH 25, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1947

Introduced by Assembly ~~Member Fong~~ Members *Fong and Jones*

February 17, 2010

An act to add Section ~~2829.5~~ 387.8 to the Public Utilities Code, relating to solar energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1947, as amended, ~~Assembly Member Fong~~ *Members Fong*.
~~Solar energy; solar farms; credits; energy.~~

Existing law requires local publicly owned electric utilities to initiate a public proceeding to adopt, implement, and finance a solar initiative program to further the state goal of installing 3,000 megawatts of photovoltaic solar energy in the state. Existing law requires the program to be consistent with prescribed requirements, including that solar energy systems receiving monetary incentives be intended primarily to offset part or all of the consumer's own electricity demand, and that the solar energy system be located on the same premises of the end-use consumer where the consumer's own electricity demand is located.

This bill would authorize a local publicly owned electric utility to adopt, implement, and finance a solar initiative program exempt from those offset and same-premises program requirements, where residential and business consumers offset part or all of their electricity demand with electricity generated by a solar energy system not located on the premises of the consumer, if the program meets certain requirements.

~~Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The Public Utilities Act imposes various duties and responsibilities on the~~

~~commission with respect to the purchase of electricity by electrical corporations and requires the commission to review and adopt a procurement plan and a renewable energy procurement plan for each electrical corporation pursuant to the California Renewables Portfolio Standard Program. The program requires that a retail seller of electricity, including electrical corporations, purchase a specified minimum percentage of electricity generated by eligible renewable energy resources, including solar, in any given year as a specified percentage of total kilowatthours sold to retail end-use customers each calendar year (renewables portfolio standard).~~

~~This bill would direct the commission to require an electrical corporation to apply a bill credit of up to 100% to a customer's bill, calculated as prescribed, for electricity that is generated by solar panels leased by the customer at a solar farm, as defined, and fed back to the electric grid.~~

~~Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.~~

~~Because this bill would require action by the commission to implement its requirements, the violation of which would be a crime, this bill would impose a state-mandated local program by creating a new crime.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes-no. State-mandated local program: yes-no.~~

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 387.8 is added to the Public Utilities
- 2 Code, to read:
- 3 387.8. Notwithstanding paragraphs (2) and (5) of subdivision
- 4 (d) of Section 387.5, a local publicly owned electric utility may
- 5 adopt, implement, and finance a solar initiative program otherwise
- 6 in accordance with that section, using monetary incentives
- 7 authorized by subdivision (b) of Section 387.5, to residential and
- 8 business consumers where consumers offset part or all of their
- 9 electricity demand with electricity generated by a solar energy

1 *system not located on the premises of the consumer, if all of the*
2 *following requirements are met:*

3 *(a) The solar energy system meets all of the following*
4 *conditions:*

5 *(1) It is located within the service territory of the local publicly*
6 *owned electric utility.*

7 *(2) It has a capacity of no more than 5 megawatts.*

8 *(3) It is interconnected to the local publicly owned utility's*
9 *system at the distribution level.*

10 *(b) The local publicly owned electric utility meets one of the*
11 *following conditions:*

12 *(1) It has contracted to purchase the total electricity produced*
13 *by the solar energy system or owns the solar energy system.*

14 *(2) It provides no greater incentive per watt for the solar energy*
15 *system than provided for by systems that participate in the*
16 *applicable solar initiative program established under Section*
17 *387.5.*

18 *(c) The total megawatt capacity of solar energy systems eligible*
19 *for a local publicly owned utility program under this section is*
20 *both of the following:*

21 *(1) Not more than the total megawatt capacity of solar energy*
22 *systems installed in the service area of the local publicly owned*
23 *electric utility after the effective date of this section that participate*
24 *in the applicable solar initiative programs established under*
25 *Section 387.5.*

26 *(2) Not more than 20 percent of the proportionate amount for*
27 *the local publicly owned electric utility of the overall 3,000*
28 *megawatt state goal set forth in Section 387.5, based on the*
29 *percentage of the total statewide load served by that entity.*

30 ~~SECTION 1. Section 2829.5 is added to the Public Utilities~~
31 ~~Code, to read:~~

32 ~~2829.5. (a) As used in this section:~~

33 ~~(1) "Eligible customer-generator" means a residential customer~~
34 ~~of an electrical corporation that meets both of the following~~
35 ~~requirements:~~

36 ~~(A) The customer leases solar panels at a solar farm, within the~~
37 ~~service area of the electrical corporation, from which the electrical~~
38 ~~corporation procures electricity.~~

1 ~~(B) The electricity generated by the solar panels described in~~
2 ~~paragraph (A) is measured by a time-of-use meter capable of~~
3 ~~registering the flow of electricity in two directions.~~

4 ~~(2) “Solar farm” means a photovoltaic facility that leases the~~
5 ~~use of solar panels located at the facility.~~

6 ~~(b) The commission shall require an electrical corporation to~~
7 ~~calculate the value of the electricity that is generated by an eligible~~
8 ~~customer-generator and fed back to the electric grid at the same~~
9 ~~rates as the electricity supplied to the eligible customer-generator~~
10 ~~over the same billing period, and apply a credit of equivalent value~~
11 ~~to the eligible customer-generator’s bill of up to 100 percent of~~
12 ~~the bill.~~

13 ~~SEC. 2. No reimbursement is required by this act pursuant to~~
14 ~~Section 6 of Article XIII B of the California Constitution because~~
15 ~~the only costs that may be incurred by a local agency or school~~
16 ~~district will be incurred because this act creates a new crime or~~
17 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
18 ~~for a crime or infraction, within the meaning of Section 17556 of~~
19 ~~the Government Code, or changes the definition of a crime within~~
20 ~~the meaning of Section 6 of Article XIII B of the California~~
21 ~~Constitution.~~